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FEDERAL COMMUNICATIONS COMMISSION
Informal Complaints Branch
Enforcement Division
Room 500
1919 M Street NW
Washington, DC 20554

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Dear Sirs:

I am writing you today because AT&T has actually tried to charge me for participating in a supposedly legalized sham that the interexchange carriers have pulled on the American public since the adoption of the Modified Final Judgment.

It's time for a reality check. We're in the computer age. Isn't that what MFJ was actually about?

The sham goes like this:

The local exchange carrier customer contacts the LEC to "pick" a "long distance company". The LEC processes the order, subject to a service order charge, and enters the information into their customer's account information record [generating overhead chargeable to the Federal Subscriber Line Charge]. If requested, the LEC secures the choice so that only the customer can change it by direct contact with the LEC [per Commission Order] [more overhead]. The LEC transmits information to the carrier notifying of this "relationship".

OR

The customer is induced by advertising to contact an IEC to make that carrier his or her "long distance company". Or perhaps the customer falls prey to some advertising scheme and signs something that turns out to be an IEC change request. The carrier generally offers a promotional credit to offset the LEC charge and forwards the order to the LEC. If the account is not secured [Above], the LEC processes the request. Otherwise, some sort of authentication with the customer takes place.

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AND FINALLY

The LEC performs the necessary "procedure" to "connect" the customer's central office line to his or her "long distance company choice".

The above scenario is predicated on the assumption that a relationship with a particular IEC exists if and only if the LEC performs the "procedure" to "connect".

IN REALITY:

The "central office" is a special purpose digital computer. The software utilizes a datum that specifies that the "default" carrier to use on an inter-LATA call generated when the customer places a call starting with a 0 or a 1 or 011 [international] not followed by a carrier code. The customer can specify any carrier code, including the "default", and the call will be processed if the carrier allows "occasional" calling and has established a mechanism, with or without the LEC's assistance to collect the revenue. In fact the customer can contact certain carriers directly to have them capture call accounting information from lines in multiple locations and generate a direct bill [a relationship exists here] to the customer unbeknownst to the LEC.

In my opinion, the Commission should expose this sham to the hood-winked public and establish Rules such that "default" carrier associated with each physical or virtual central office channel is customer-changeable and secured with an individual security code changeable by the customer. In a manner analogous to that used in changing a speed calling code, the customer would be able to change his or her "default" carrier and/or security code, at will, without a per-incident charge. For security reasons, this procedure would only be available when initiated from the channel in question, and would not utilize a database server external to the switch cluster. The Commission would provide a mechanism to disseminate carrier codes to the public. A curious customer could [and can] even dial 1 followed by the carrier code and 700-555-4141 to make up his or her own list, and 1-700-555-4141 to find out the name of the "default" carrier.

The cost for the above implementation would be chargeable to the Subscriber Line Charge. The carrier would apply a transaction charge only in the case of resetting a misplaced customer security code. No information regarding the switch software setting or security code would be entered into the customer's account information record, and no other procedures would be established to prevent "slamming". Handicapped customers could use already established facilities to assist in changing their carrier code. The "default" carrier code would be deemed confidential customer proprietary information and would in no case be disclosed to IEC business office or craft personnel. The LEC would transmit customer name and billing address information to the IEC only when it is required to effect revenue collection in a particular billing cycle.

The customer would be free to contact the IEC(s) of his or her choice to negotiate a rate plan to his or her liking for calls pushed onto that carrier's network. The market place would force the carriers to supply time and rate band schedules to the customer. Instead of tombstone advertisements, carriers would be required to make a rate effective for a minimum time, after which the customer could make another rate request.

In my opinion the above procedure will provide equal access and true competition. Isn't that the American way? The carrier industry is robust enough to handle this and should no longer be shrouded by the kid-glove approach of "long distance company choice".

Now in light of the above proposition, consider the following scenario:

A customer has a commercial LEC account with Bell Atlantic of Virginia, consisting of three lines, all of which have a "default" interexchange carrier code of AT&T for historical reasons. Since January 1, 1990, only one AT&T billable call not chargeable to another account has been placed from those lines. (It was made by a visitor without the knowledge of the customer.) Until approximately 4 or 5 months ago, BA-VA provided billing services on the customer's monthly statement for AT&T. Apparently coincident with AT&T's decision to preformat residential bills and transmit them instead of raw message accounting data to BA-VA, they have decided to direct bill their commercial customers. To offset the costs of maintaining an account, mailing a separate monthly statement, providing separate financial service, bank interface and collection departments, they apparently feel they can justify a tariff providing a minimum billing of $5.00 plus FET per month.

The "default" carrier selection on those lines was made by the customer directly to then C&P Telephone of Virginia in 1984 and 1989. AT&T did not participate in the transactions.

Until the customer makes another AT&T call billable to that account there can be no justification for that account or a monthly bill, much less a monthly minimum service charge. AT&T is not providing any billable service, and in fact never provides any billable service chargeable to a customer's local exchange line until the customer pushes a billable call or accepts a collect billable call on that line. Customers pay for the connection interface system between their LEC switch and the IEC's via the Subscriber Line Charge. If AT&T offers a minimum usage discount plan, the customer has the right to take it or leave it. Local exchange service should create no contract for interexchange service.

If AT&T feels they cannot afford to pay BA-VA to bill "occasional" calls totaling less than $5.00 in one month, even at some inflated rate, they have the option to give the customer the choice of paying the $5.00, or having AT&T billable calls blocked from their network. And if the customer wants to be able to make AT&T collect, credit card and 700 calls without dialing 10288 or calling an 800 number, that routing feature is provided by BA-VA, not AT&T.

I wrote the first draft of this letter approximately four weeks ago after receiving a return voice mail from Mr. R.L. Smith in your Common Carrier Bureau. Since that date, there has been another call from the various state regulatory agencies for a better way to handle the "slamming" problem. The Commission should take this opportunity to follow my suggestions above and bring the long distance market into the free enterprise system. Buying long distance should be no different than buying clothes. One can go shopping to three different clothing stores in an afternoon, picking and choosing among the goods purveyed, without establishing a relationship with a particular merchant. One can pay for the goods purchased using a Bank Card (analogeus to having the LEC do the billing), a store card (analogous to having a relationship), or with cash or check (analogous to coins in a pay phone). What's good enough for the retail businesses in this country is good enough for the long distance companies.

Thank you for your time. You can reach me by leaving a voice mail message at 703-527-2911, or writing me at the address in the letterhead.

Sincerely yours,

Richard A. Forshner

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